



DOR NewsRelease

Commonwealth of Massachusetts

Department of Revenue

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December revenue collections total \$1.866 billion

Corporate settlements and one-time payments offset weak withholding and sales tax collections

Revenue Commissioner Navjeet K. Bal today announced that preliminary revenue collections for December 2008 totaled \$1.866 billion, up \$21 million or 1.2 percent from last December.

Total tax collections were \$55 million above the revised monthly benchmark of Oct. 15th due largely to several corporate settlement payments and other one-time payments received during the month totaling nearly \$170 million. Without these one-time settlement payments, revenue collections would have come in \$115 million below the revised monthly benchmark and \$149 million below last December. It should be noted that \$100 million of these corporate settlement payments were expected to be received at some point this fiscal year, but were not included in the revised revenue estimate of \$20.302 billion issued Oct. 15, 2008.

FY09 year-to-date tax collections total \$9.063 billion, down \$68 million or 0.7 percent from the same period a year ago, but are \$24 million above the revised FY09 year-to-date benchmark due to the one-time settlement payments.

“Corporate payments received a boost from a large settlement payment of \$121 million, which will be partially offset by a refund of \$12 million to be paid later in January, and from an additional settlement payment of \$17.5 million. Additionally, approximately \$30 million in payments was received under a voluntary disclosure program for previously non-filing corporations and financial institutions,” Bal said.

Corporate collections were \$100 million ahead of year ago and exceeded the monthly benchmark by \$157 million.

However, withholding collections were \$73 million below benchmark, due in part to declining bonus income, and sales tax collections were \$22 million below benchmark, reflecting a continuing softening in retail and motor vehicle sales tax collections, Bal said.

December income tax collections totaled \$991 million, down \$51 million or 4.9 percent from a year ago and \$70 million below the monthly benchmark. Estimated payments totaled \$127 million, down \$10 million or 7.5 percent less than a year ago in December and \$2 million below benchmark. “Next month’s report will begin to tell the story on capital gains tax collections for this fiscal year,” Bal said.

On a year-to-date basis, sales and use tax collections are \$77 million or 3.7 percent behind the same period a year ago and \$47 million below the benchmark. Corporate/business taxes are \$26 million or 2.9 percent behind the same period a year ago but are \$123 million above the benchmark due to the one-time settlement payments referenced above. Income tax collections are \$36 million or 0.7 percent ahead of a year ago but are \$88 million below the benchmark.

For information on the voluntary disclosure program that produced about \$30 million in corporate tax collections, see description of the program [here](#).